
Report To:	Education & Communities Committee	Date:	31 October 2017
Report By:	Chief Financial Officer and Corporate Director Education, Communities and Organisational Development	Report No:	FIN/78/17/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education 2017/18 Revenue Budget-Period 5 to 31 August 2017		

1.0 PURPOSE

- 1.1 To advise the Committee of the 2017/18 Revenue Budget position as at Period 5 to 31 August 2017.

2.0 SUMMARY

- 2.1 The total Education budget for 2017/18, excluding planned carry forward for Earmarked Reserves, is £75,252,790. The School Estate Management Plan accounts for £14,673,000 of the total Education budget. The latest projection is an underspend of £456,000, an increase of £184,000 since the last Committee.
- 2.2 The main reasons for the 2017/18 projected underspend are –
- (a) Projected underspend of £178,000 for Teachers Employee Costs, an increase of £74,000 since the last Committee and equivalent to 0.4% of the Teachers budget. Teacher numbers will fluctuate throughout the academic year and the overall numbers are managed to stay within budget.
 - (b) Projected underspend of £96,000 for Non Teachers Employee Costs, an increase of £41,000 since the last Committee. £30,000 of this underspend is due to the early achievement of budget savings and the balance of £66,000 is due to vacant posts, mainly within Schools and Early Years establishments.
 - (c) Projected underspend of £60,000 for Contract Cleaning due to the early achievement of 2018/19 productivity savings.
 - (d) Projected underspend of £32,000 for Janitors due to vacant posts.
 - (e) Projected underspend of £27,000 for ASN Transport, based on the latest information provided by SPT.
 - (f) Projected underspend of £30,000 for ASN Placements. The projected out-turn for 2017/18 is in line with the previous year and is based on the updated placements for the new academic year starting in August 2017.
 - (g) Projected over recovery of income of £40,000 for income received from other Local Authorities for placements within Garvel and Craigmarloch

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- 2.3 It should be noted that proposals are being advanced as part of the 2018/20 Revenue Budget to address some of these underspends.
- 2.4 Earmarked Reserves for 2017/18, excluding those for Asset Plans and Strategic Funds, total £784,000 of which £632,000 is projected to be spent in the current financial year. To date, expenditure of £191,000 (30.2%) has been incurred. Spend to date per profiling was expected to be £227,000, therefore year to date expenditure is £36,000 or 5.7% behind phased spend. The majority of the slippage relates to payments to The Beacon due to final retention for construction work not being finalised.

3.0 RECOMMENDATION

- 3.1 That the Committee notes the current projected underspend of £456,000 for the 2017/18 Education Revenue budget as at Period 5 to 31 August 2017 and that proposals have been developed as part of the 2018/20 budget to address a number of the projected underspends.

Alan Puckrin
Chief Financial Officer

Wilma Bain
Corporate Director Education,
Communities & Organisational Development

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise the Committee of the current position of the 2017/18 Revenue Budget as at Period 5, 31 August 2017 and highlight the main issues contributing to the projected underspend of £456,000.

5.0 2016/17 PROJECTION

- 5.1 The total Education budget for 2017/18, excluding planned carry forward for Earmarked Reserves, is currently £75,252,790. This is an increase of £970,000 from the approved budget. Appendix 1 gives details of the budget movements responsible for this increase.
- 5.2 The main issues to highlight in relation to the 2017/18 projected underspend of £456,000 are:

Employee Costs - Teachers

The total budget for Teachers Employee Costs is £39,168,000 and the latest projection is an underspend of £178,000 or 0.5% of the Teachers budget. This is an increase in underspend of £74,000 since the last Committee. The number of Teachers employed fluctuate throughout the year and the overall numbers are managed to stay within budget. Teacher staffing numbers have now been fully reviewed at the start of the new academic year and will continue to be reviewed on a regular basis throughout the year.

Employee Costs – Non Teachers

The total budget for Non Teacher Employee costs is £16,323,000 and the latest projection is an underspend of £96,000 or 0.6% of the Non Teachers budget. This is an increase of £41,000 since the last Committee. The early achievement of budget savings accounts for £30,000 of the projected underspend and the balance of £66,000 relates to vacant posts, mainly within Schools and Early Years establishments.

Contract Cleaning

The current budget for Contract Cleaning is £1,287,720 and the latest projection is an underspend of £60,000 due to the early achievement of 2018/19 productivity savings. The projection is the same as previously reported to Committee.

Janitors

The current budget for Janitors is £983,070 and the latest projection is an underspend of £32,000 due to vacant posts. The projection is the same as previously reported to Committee.

ASN Transport

The total ASN Transport budget is £418,000 and the latest projection is an underspend of £27,000, based on the latest information received from SPT. The projected out-turn for 2017/18 is in line with the previous year.

ASN Placements

The total budget for ASN Placements is £405,000 and the latest projection is an underspend of £30,000. The budget contains a contingency for one additional placement and this will be released throughout the year if not required and increase the underspend.

Income from Other Local Authorities

The Income from Other Local Authorities budget is £313,000 and the latest projection is an over recovery of income of £40,000. This income is received for children from outwith Inverclyde who are placed within Garvel and Craigmarloch. The projection is the same as previously reported to Committee.

Appendices 2 and 3 provide more details on the projected variances.

6.0 EARMARKED RESERVES

6.1 Earmarked Reserves for 2017/18, excluding those for Asset Plans and Strategic Funds, total £784,000 of which £632,000 is projected to be spent in the current financial year. To date expenditure of £191,000 (30.2%) has been incurred. Spend to date per profiling was expected to be £227,000, therefore year to date expenditure is £36,000 or 5.7% behind phased spend. The majority of the slippage relates to payments to The Beacon due to final retention for construction work not being finalised.

7.0 VIREMENTS

7.1 There are no virements this Committee cycle.

8.0 IMPLICATIONS

8.1 Finance

All financial implications are discussed in detail within the report above.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend This Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Spend This Report £000	Virement From	Other Comments
N/A					

8.2 Legal

There are no specific legal implications arising from this report

8.3 Human Resources

There are no specific human resources implications arising from this report.

8.4 Equalities

There are no equalities issues with this report.

8.5 Repopulation

There are no repopulation issues with this report.

9.0 CONSULTATION

- 9.1 The paper has been jointly prepared by the Chief Financial Officer and the Corporate Director Education, Communities and Organisational Development.

10.0 BACKGROUND PAPERS

- 10.1 There are no background papers for this report.

Education Budget Movement - 2017/18**Period 5 - 1st April 2017 to 31st August 2017**

Service	Approved Budget	Inflation £000	Virement £000	Movements	Transferred to EMR £000	Revised Budget
	2017/18 £000			Supplementary Budgets £000		2017/18 £000
Corporate Director	141		1			142
Education	69,630		652	269	(7,239)	63,312
Inclusive Education	9,961		41			10,002
Safer & Inclusive Communities	1,790		7			1,797
Totals	81,522	0	701	269	(7,239)	75,253

Movement Detail

£000

External Resources

1140 Hours Early Years Funding

269

269

Virements

Probationer Teachers Funding
IT Information Classification Policy
Apprenticeship Levy
SEMP to Contingency

514

(1)

208

(20)

701

Inflation

0

970

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 5 - 1st April to 31st August 2017**

<u>Out Turn</u> <u>2016/17</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2017/18</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-17</u> <u>£000</u>	<u>Projection</u> <u>2017/18</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
38,543	Employee Costs - Teachers	39,168	15,536	15,470	38,990	(178)	(0.5%)
16,130	Employee Costs - Non Teachers	16,323	6,288	6,189	16,227	(96)	(0.6%)
1,246	Cleaning	1,288	322	0	1,228	(60)	(4.7%)
1,081	Janitors	983	246	0	951	(32)	(3.3%)
394	ASN Transport	418	209	196	391	(27)	(6.5%)
388	ASN Placements	405	169	46	375	(30)	(7.4%)
(358)	Income From OLA	(313)	(78)	(95)	(353)	(40)	12.8%
Total Material Variances						(463)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 5 - 1st April to 31st August 2017**

2016/17 Actual £000	Subjective Heading	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
38,543	Employee Costs - Teachers	37,392	39,168	38,990	(178)	(0.5%)
16,130	Employee Costs - Non Teachers	15,063	16,323	16,227	(96)	(0.6%)
11,582	Property Costs	7,404	7,411	7,319	(92)	(1.2%)
3,924	Supplies & Services	3,971	3,925	3,930	5	0.1%
2,383	Transport Costs	1,955	1,944	1,917	(27)	(1.4%)
621	Administration Costs	444	614	614	0	-
4,206	Other Expenditure	17,770	18,141	18,113	(28)	(0.2%)
(4,744)	Income	(2,477)	(5,034)	(5,074)	(40)	0.8%
72,645	TOTAL NET EXPENDITURE	81,522	82,492	82,036	(456)	(0.6%)
	Earmarked Reserves	0	(2,687)	(2,687)	0	
	Loan Charges / DMR	0	(4,552)	(4,552)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	81,522	75,253	74,797	(456)	

2016/17 Actual £000	Objective Heading	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
151	Corporate Director	141	142	152	10	7.0%
55,879	Education	54,937	55,879	55,592	(287)	(0.5%)
5,199	School Estate Management Plan	14,693	14,673	14,673	0	-
61,078	TOTAL EDUCATION SERVICES	69,630	70,552	70,265	(287)	(0.4%)
8,263	ASN	8,349	8,384	8,221	(163)	(1.9%)
1,538	Other Inclusive Education	1,612	1,618	1,611	(7)	(0.4%)
9,801	TOTAL INCLUSIVE EDUCATION	9,961	10,002	9,832	(170)	(1.7%)
1,446	Community Learning & Development	1,534	1,539	1,530	(9)	(0.6%)
169	Other Safer & Inclusive	256	257	257	0	-
1,615	TOTAL SAFER & INCLUSIVE	1,790	1,796	1,787	(9)	(0.5%)
72,645	TOTAL EDUCATION COMMITTEE	81,522	82,492	82,036	(456)	(0.6%)
	Earmarked Reserves	0	(2,687)	(2,687)	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2017/18</u>	<u>Phased Budget To Period 5 2017/18</u>	<u>Actual To Period 5 2017/18</u>	<u>Projected Spend 2017/18</u>	<u>Amount to be Earmarked for 2018/19 & Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	
Beacon Contract and Core Funding	Grant McGovern	259	128	100	255	4	Projected Spend for 2017/18 is £75k Retention Payment + £130k Funding + release of £50k Contingency as approved by last Committee.
Funding for I Youth Zone Port Glasgow, Greenock & Gourock	Martin McNab	256	63	57	256	0	Funding to 31/03/18 of 2018 for 3 x I-Youth Zones
School Clothing Grants	Grant McGovern	50	25	25	25	25	£25k has now been spent for 2017/18 with £25k c/f for Year 4. This EMR funds an additional £10 per claim.
Rankin Park Bike Trail - School Use	Martin McNab	58	0	0	15	43	P&R Committee 08/08/17 agreed to use up to £15k of this EMR to fund IL extending the opening of Gourock Pool for Sept 2017.
Primary School Swimming - P6 to P4 Move	Martin McNab	40	0	0	20	20	Payment for Swimming Teachers and transport will be made at Financial Year end as part of the DMR process.
PG Community Campus Apprenticeships	Ruth Binks	50	2	0	12	38	Head Teachers will allocate some awards this Financial Year. Final timescales and awards still to be determined.
Developing Young Person's Workforce	Ruth Binks	52	0	0	30	22	Payment will be made to West College for Vocational Programme in March 2018. Balance will be c/f to 2018/19.
Secondary Schools Credit Union	Ruth Binks	19	9	9	19	0	£9k payment made to Tail O' The Bank Credit Union for staff costs and resources. Balance of £10k will fund the deposits to S1 pupils accounts. Based on the uptake of last year the full amount may not be required.
Total		784	227	191	632	152	